United Nations A/C.2/52/SR.18

General Assembly
Fifty-second session

Official Records

Distr.: General
13 March 1998
English
Original: French

Second Committee

Summary record of the 18th meeting
Held at Headquarters, New York, on Wednesday, 29 October 1997, at 10 a.m.

Chairman: Mr. de Rojas ..... (Venezuela)

Contents

Agenda item 97: Sustainable development and international economic cooperation

(a) Renewal of the dialogue on strengthening international economic cooperation for development through partnership

(b) Implementation of the Programme of Action for the Least Developed Countries for the 1990s

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

97-82286 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 97: Sustainable development and international economic cooperation (A/52/92, A/52/112, A/52/139, A/52/153-S/1997/384, A/52/163, A/52/217-S/1997/507, A/52/284, A/52/318, A/52/432, A/52/447-S/1997/775, A/52/460)

(a) Renewal of the dialogue on strengthening international economic cooperation for development through partnership (A/52/425, A/52/413)

(b) Implementation of the Programme of Action for the Least Developed Countries for the 1990s (A/52/279, A/52/413, A/C.2/52/3)

1. **Mr. Khan** (Division for Policy Coordination and Economic and Social Council Affairs), introducing document A/52/425, said that the document should be read in the light of the previous reports of the Secretary-General and the Agenda for Development and should be viewed within the context established, in particular, by the adoption of the Agenda for Development, the organization of a high-level debate in the Economic and Social Council on fostering an enabling environment for development and the General Assembly's decision to convene a special session devoted to combating the illicit production, sale, demand, traffic and distribution of narcotic drugs and psychotropic substances and related activities and to hold a special session in the year 2000 to undertake an overall review and appraisal of the implementation of the outcome of the World Summit for Social Development.

2. The proposed dialogue should be a thematic dialogue, at the high level, and should involve all the actors in development, including civil society, major groups, non-governmental organizations, parliamentarians and university and scientific circles. In his report, the Secretary-General had proposed several new themes. The theme to be selected must be topical, conducive to progress in cooperation, and suitable for high-level debate. The modalities of the dialogue must be discussed. The preparations should last at least one year, and the dialogue would take place in autumn 1998.

3. **Mr. Rahman** (New York Office of the United Nations Conference on Trade and Development (UNCTAD)), introducing document A/52/279, said that after long years of stagnation, or even decline, the per capita income of the least developed countries was rising for the second consecutive year. Those favourable results were offset, however, by several negative aspects: official development assistance (ODA) was constantly declining and the least developed countries continued to be heavily indebted and excluded from international trade and foreign investment. Some of those issues had been taken up by the Trade and Development Board at the seventh annual review of the progress made in the implementation of the Programme of Action for the Least Developed Countries for the 1990s. The Trade and Development Board had stressed the reforms and policies to be undertaken in the sphere of agriculture and had considered the question of countries caught in a spiral of economic, political and social difficulties which sometimes led to conflicts. The Board had requested UNCTAD to help the least developed countries draw up country programmes in the sphere of commerce. Work had been undertaken in several countries in that respect. In Bangladesh, a programme had already been adopted.

4. **The Chairman** said that the North-South dialogue had really begun with the convening in Paris, in 1976, of the Conference on International Economic Cooperation. Since then, except during the Uruguay negotiations, major macroeconomic issues had been left aside. Nevertheless, a large part of the international community wanted questions relating to international cooperation and development, including questions of macroeconomic policy, to be taken up at the world level, with the participation of everyone. It was therefore necessary to find ways of relaunching the dialogue at the highest level, through increased cooperation with the international financial bodies and reform of the United Nations.

5. **Mr. Mwakapugi** (United Republic of Tanzania), speaking on behalf of the Group of 77 and China, said that the adoption of the Agenda for Development, which provided the framework for future international economic cooperation for development, symbolized the willingness of developed and developing countries to engage in constructive dialogue. The United Nations, with its uniqueness and universality, was best suited to guide efforts in that direction. The themes identified by the Secretary-General must be considered in the context of General Assembly resolution 51/174 and not hurriedly grafted onto other intergovernmental processes.

6. The commitments made under the Programme of Action had not been fulfilled, and that had prevented the least developed countries from improving their economic and social situation, carrying out the necessary structural adjustment and developing their external trade. During the 1990s, resource flows to the least developed countries had diminished in real terms. The share of ODA to the least developed countries in the total GNP of donor countries which were members of the Development Assistance Committee had dropped from 0.09 per cent in 1990 to 0.06

per cent in 1995. The external debt problem only compounded their difficulties in implementing structural adjustment programmes and discouraged private investors. It was evident that the least developed countries were increasingly marginalized from the multilateral trading system and global financial flows.

7. It was therefore imperative that the international community should undertake a comprehensive review of the implementation of the Programme of Action and do everything possible to enable the least developed countries to face the next millennium under the best possible socio-economic conditions.

8. The Group of 77 and China fully supported the proposal by the Trade and Development Board to convene a third conference on the least developed countries in the year 2000 and hoped that the General Assembly would decide on that proposal and make preparations for the conference. Reaffirming their commitment to the establishment of a genuine partnership on the basis of the principles of mutuality of interests and benefits and common but differentiated responsibilities, they also hoped that their development partners would fulfil the commitments made at international conferences and in intergovernmental processes.

9. **Mr. Graff** (Luxembourg), speaking on behalf of the European Union, the associate countries of Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, and, in addition, Norway, said that in view of the need to improve the quality of work of the General Assembly, it was regrettable that the high-level dialogue on the social and economic impact of globalization and interdependence and their policy implications had not been organized during the current session. The European Union hoped that the dialogue would take place at the beginning of the fifty-third session in the spirit of General Assembly resolution 51/174 and believed that the meetings of the Commission on Sustainable Development, which attracted a high level of participation from the public and private sectors, could also be a source of inspiration with regard to the dates, modalities and scope of the debate.

10. The European Union concentrated its assistance on the specific needs of the least developed countries and encouraged other donor countries and multilateral institutions to do likewise. It was in favour of concentrating ODA on the least developed countries and reaffirmed the commitment it had made to devote 0.7 per cent of the GNP of its members to ODA and 0.15 per cent of GNP to ODA for the least developed countries as soon as possible.

11. The external debt problem continued to hinder development in some countries. The States members of the European Union had made considerable concessions in the area of debt forgiveness, and encouraged other donors to do likewise.

12. Globalization and trade liberalization, which had adverse effects on least developed countries, many of which were ill-prepared, could nonetheless become unprecedented engines of growth and could enable those countries to become integrated into the world economy. The European Union helped least developed countries in their integration efforts, *inter alia*, by giving them preferential access to its markets and by providing them with development assistance.

13. **Mr. Guarini** (United States of America) said that his country was committed to promoting a constructive dialogue on development. To that end, it was important to tap into the knowledge and expertise of the international economic community, including the Bretton Woods institutions. That dialogue should help to advance the broad consensus on development achieved during the recent series of global United Nations conferences. As noted in the Agenda for Development, social development, economic development and environmental protection were interdependent and mutually reinforcing components of sustainable development, and sound national economic and social policies were required in order to capitalize on economic globalization and the growing interdependence among States. The United States was prepared to work with its partners to refine and renew the dialogue on development, which should proceed in tandem with efforts to revitalize the work of the General Assembly.

14. During the current session of the General Assembly, a synthesized approach should be taken to issues such as macroeconomic policy, sustainable development, international cooperation and trade and development. Member States should seize the opportunity to enhance the normative functions of the General Assembly and to restore the Economic and Social Council's status as a principal organ of the Assembly with a focus on coordination. Those reforms should help the United Nations to reach its targets in developing countries.

15. With respect to the implementation of the Programme of Action for the Least Developed Countries for the 1990s, in June 1997 President Clinton had announced a new programme to promote economic growth in Africa, which would complement and support multilateral efforts. That programme illustrated the commitment of the United States to supporting those least developed countries that were implementing reforms to liberalize their economies and to

achieve good governance. The programme, which was tailored to the varying needs of the countries in sub-Saharan Africa, was intended to enhance market access, promote investment, support regional integration, reduce debt and promote bilateral technical assistance and trade.

16. Currently, private capital flows dwarfed the more than $60 billion in official assistance flows and private grant resources that went to developing countries each year. Moreover, even in the least developed countries, domestic resources far exceeded available external resources. Experience had shown that, to achieve their growth potential and to fight poverty effectively, countries must invest their resources wisely. Above all, they must create a sound legal and institutional environment in which all development resources – domestic and international, public and private – were mobilized and used effectively. The United States recognized that assistance must continue to be provided to support the efforts of least developed countries. That assistance should help to finance the social and economic infrastructure needed to build an effective State and a thriving private sector, which would, in turn, improve standards of living in those countries.

17. The United States strongly encouraged United Nations agencies to continue to improve aid effectiveness and to ensure that development resources directly supported the efforts of those least developed countries that were trying to establish good governance, growth-oriented economic policies and strategies for poverty alleviation. The United States would continue to help integrate least developed countries into rapidly expanding international trade and investment flows.

18. **Mr. Chowdhury** (Bangladesh) said that the situation of the least developed countries had worsened over the years and that those countries had been marginalized from global economic activities even though many of them had implemented wide-ranging reforms, often under internationally agreed structural and sectoral adjustment plans designed to improve economic efficiency, curb public-sector intervention, encourage private-sector development and liberalize the external trade sector. However, their efforts had not received adequate support from the international community. The report of the Secretary-General (A/52/279) described a number of initiatives taken by United Nations bodies, as well as international support measures, but did not analyse them or dwell on their outcome.

19. The report pointed out that poverty was still pervasive in the least developed countries, whose inhabitants continued to suffer from reduced calorie intake and increased mortality and morbidity. It was therefore essential that the United Nations system, in the context of the United Nations Decade for the Eradication of Poverty, should focus its efforts on those countries. The problems common to all developing countries were also present in the least developed countries, but in a more intense form. One of those problems was the decline in official development assistance, which stood at only 0.06 per cent of the gross national product of donor countries, in contrast to the agreed target of 0.15 per cent. In addition, the least developed countries still had insufficient market access. Despite their best efforts to attract foreign investment, in 1996 the least developed countries had received less than 1 per cent of global foreign direct investment; consequently, very few transfers of technology to those countries had taken place. Lastly, the external debt of the least developed countries had increased by $20 billion between 1990 and 1995. As a result, debt servicing absorbed more than one third of those countries' foreign-currency earnings.

20. The organization of the third United Nations Conference on the Least Developed Countries in the year 2000 was an issue of great importance which had been taken up by the Trade and Development Board at its forty-fourth session, held recently in Geneva. He drew attention to a number of decisions taken by the Board and pointed out that agreement must still be reached on the time-frame and the preparatory process for that Conference.

21. **Mr. Tchoulkov** (Russian Federation) said that a broad consensus had been reached on the need to renew the dialogue on strengthening international economic cooperation through partnership and on the leading role which the United Nations should play in that area. That consensus was based on the recognition of the phenomenon of economic globalization and the growing interdependence of States, and of the need to take a global approach to development issues and international cooperation and to take into account the interests of all groups of countries. The concept of partnership should be interpreted broadly, since the partners involved were not only States, but also the public and private sectors and civil society as a whole.

22. The idea of partnership had already been expressed in recent decisions taken by a number of major international forums, as well as in the recently adopted Agenda for Development. The Russian Federation attached great importance to that document, whose adoption reflected the political will of the parties to reach a compromise. The Agenda for Development specified the role to be played by the United Nations, in cooperation with other multilateral partners, for the promotion of sustainable development; the next step would be to take concrete measures at both the

national and international levels to implement the Agenda. The proposals put forward by the Secretary-General in his report on United Nations reform (A/51/950) with respect to the organization of special high-level one-week dialogues and the selection of major themes on which the Main Committees of the General Assembly would focus their work were of great importance in that context. With regard to the selection of themes for those dialogues, the proposals put forward by the Secretary-General in document A/52/425 deserved careful consideration; the themes chosen should reflect the interests of all groups of countries and preferably should be determined at least one year in advance. It might also be possible to select themes for the next five years, for example.

23. The question of the high-level debates organized by the Economic and Social Council must be reconsidered within the framework of its sessions, since the holding of high-level debates by the General Assembly could greatly reduce the value of the Council's high-level debates and limit their usefulness. That matter must be carefully considered in the context of the roles of the General Assembly and the Council, bearing in mind their respective mandates. At the current stage, the effectiveness of the Council's annual sessions must also be improved in order to strengthen its coordinating role.

24. His Government supported United Nations activities to implement the Programme of Action for the Least Developed Countries for the 1990s and emphasized the useful contribution made to that effort by the United Nations development funds and programmes, which assisted the least developed countries in mobilizing resources for development.

25. **Mr. Suarez Davila** (Mexico) said that globalization was an unavoidable reality for all countries. Although at the macroeconomic level globalization had positive effects in terms of the rate of growth, capital movement and technology flows, it benefited only a small number of countries while marginalizing many others, as had been shown in recent studies by UNCTAD, the World Bank, IMF and OECD. Moreover, within a single country, there were growing gaps between regions, sectors, businesses and individuals. While those phenomena might be due to causes other than globalization, globalization was clearly being rejected by populations, who were protesting against high unemployment (in Europe), stagnation in real wages (in the United States) or deepening poverty (in developing countries).

26. Peace, security and development were indivisible, and the United Nations could not achieve its objectives without revitalizing its activities in the economic and social fields. The concept of sustainable development had been weakened to the extent that each country interpreted it as it saw fit. Thus, in the field of environment, which was one aspect of sustainable development, climate change was of major concern to the industrialized countries, while developing countries attached absolute priority to the protection of biological diversity and combating desertification. It was important to make progress in the evaluation of the application of the Rio commitments and in their implementation.

27. With regard to international trade, an English politician had once said that great countries adapted principles to national interests and not vice versa. Some areas, such as agriculture and multifibre agreements, were apparently untouchable. Mexico was concerned at the fact that the industrialized countries, under the guise of protecting the environment and labour law, engaged in protectionist practices; there were still too many non-tariff barriers. In order to facilitate access of developing countries' products to world markets, Mexico was in favour of a new round of multilateral negotiations.

28. As far as development financing was concerned, there were serious problems with regional financial instability. There were major capital flows, but no one took advantage of them. Consideration should be given to the adoption of a multilateral agreement on investments that defined equitable rules that benefited all countries while respecting national characteristics and interests. Globalization meant the free movement of goods, capital and technology, but there were still many obstacles to the free movement of persons. An objective study of migration, especially its economic and social aspects, must be undertaken in order to protect the rights of migrant workers and their families. His delegation reiterated its interest in the holding of an international conference on migration and development.

29. It was obvious that there could be no economic progress without social and institutional development, which involved human resources development, poverty alleviation and the strengthening of institutions in order to promote good governance, democracy, rule of law and respect for human rights. It was necessary to solve the problem of unemployment, which was experienced by all countries regardless of their level of development.

30. In conclusion, his delegation wished to stress the importance of South-South cooperation. As a developing country and a member of several international, regional, global or sectoral agencies and institutions, Mexico would spare no effort to foster such cooperation.

31. **Mr. Wang Qun** (China) said that rapid globalization presented challenges as well as opportunities for all countries. Through their unremitting efforts, the developing countries had achieved varying degrees of economic growth and had contributed to global economic development. However, the unfavourable external environment that hampered the economic growth of the developing countries remained, the problem of poverty was widespread, the gap between North and South was widening, the least developed countries were becoming further marginalized, and even developing countries that had improved their economic performance in recent years were still confronted with new difficulties. It was regrettable that the international community did not pay due attention to those urgent issues.

32. As globalization accelerated, countries were becoming more and more interdependent. Without the sustained economic growth of the developing countries, the industrialized countries would have difficulty in maintaining their prosperity. While the developing countries needed the developed countries, the developed countries could not succeed on their own because they needed markets for their products, outlets for their capital and sources of raw materials. All countries faced the same problems, and it was important to strengthen the dialogue on international economic cooperation for development in order to enhance mutual understanding and enable countries to see their common interests and expand consensus.

33. It was essential to take a new look at ways of enhancing international economic cooperation for development through partnership. A partnership among all countries should be based on the principles of mutual interests and common but differentiated responsibility in order to promote prosperity and development in all countries. It was important to respect the right of developing countries to choose their own path and to adopt a pragmatic approach that translated commitments into action.

34. **Mr. Birouk** (Algeria) said that his delegation supported the statement made by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China. The resumption of the dialogue on the strengthening of international economic cooperation for development through partnership had been deferred year after year since the forty-eighth session of the General Assembly.

35. During that period, despite the hopes raised by the end of the cold war, economic relations between developed and developing countries had remained marked by deep inequalities and imbalances. The uncertainties of international trade, the lack of a solution to the debt problem, the question of financial flows, the fall in commodity prices, and sometimes disguised protectionist measures, which prevented products from the South from reaching the markets of the industrialized countries, underscored the need for such a dialogue. All those economic problems could be effectively addressed only within the framework of genuine cooperation and constructive dialogue between the industrialized countries and the countries of the South based on interdependence, mutual interest and shared responsibility.

36. There had never been an international environment so favourable to dialogue. The convergence of economic models, which were now based on a market economy, the end of the ideological split between North and South, the accelerating pace of globalization of the economy, the recognition of the right to development as a fundamental right, and heightened awareness of environmental issues were all conducive to a true partnership for development. The dialogue would help improve communication between North and South, serve as a unique starting point for a clear definition of the responsibilities and commitments shared by the developed and less developed countries and be the catalyst for a new form of consultation within the United Nations that would usher in a new era of mutual understanding of benefit to all countries.

37. The renewal of the dialogue should afford the United Nations an opportunity to study the impact of globalization on developing countries, and especially to set the goals to be pursued by the international community for the coming century, to reflect on the ponderousness and inefficiency of the current economic system, and to initiate an orderly restructuring of international economic relations at a time when national regulatory policies had been revealed to be inadequate and when viable solutions could only be found through international cooperation.

38. In its resolution 50/122, the General Assembly had effectively linked the question of high-level dialogue with the outcome of the work of the Ad Hoc Open-Ended Working Group of the General Assembly on an Agenda for Development. Specifically, the Agenda for Development had offered the opportunity for a broad debate on the strengths and shortcomings of the international economic system and had provided the General Assembly with a solid basis for a high-level debate. The question of "the social and economic impact of globalization and interdependence and their policy implications" already decided upon continued to be a highly relevant theme for the dialogue. With regard to the modalities of the dialogue, his delegation supported the recommendations made by the Secretary-General in his report (A/52/425) and proposed that the dialogue should take

the form of a special session of the General Assembly to be held at the beginning of its 1998 session, following a series of debates and discussions throughout the United Nations system and in cooperation with other relevant bodies.

39. **Mr. Cabactulan** (Philippines), associating himself with the statement made by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China, said that the General Assembly had been unable to realize the aspiration expressed in its resolution 51/174, namely to hold at its fifty-second session a two-day high-level dialogue on the social and economic impact of globalization and interdependence and their policy implications. That failure had been due essentially to the protracted nature of the negotiations on the Agenda for Development.

40. Since the Agenda for Development had become a reality, nothing now stood in the way of holding the high-level dialogue during the fifty-third session, in order to follow up and assess the implementation of the Agenda and provide additional impetus to the implementation of the various internationally agreed plans of action, such as the Programme of Action for the Least Developed Countries for the 1990s.

41. It was gratifying to note from the report of the Secretary-General (A/52/279) that preliminary estimates showed that practically all the least developed countries had realized positive growth in 1996, and that certain African least developed countries had achieved growth rates equal to or exceeding the 6 per cent target set in the United Nations New Agenda for the Development of Africa in the 1990s.

42. Of course, his delegation welcomed such global initiatives as the Programme of Action for the Least Developed Countries, the above-mentioned New Agenda, and the United Nations System-wide Special Initiative for Africa, which had contributed greatly to the recent positive economic developments in those countries, and commended the activities undertaken in favour of the least developed countries by the various United Nations organizations, funds and programmes, including the regional commissions. However, the least developed countries themselves were also to be commended for their efforts to achieve the discipline, restructuring and adjustment which had been largely responsible for their recent economic successes.

43. In the area of international assistance, resource flows and the volume of assistance to least developed countries were declining. The least developed countries had accumulated massive payment arrears, and the various debt-relief measures so far undertaken had not gone far enough; it would therefore be necessary to revise the reduction under the Naples terms of 67 per cent of the current value of eligible debts and to accelerate the implementation of initiatives for heavily indebted poor countries. The least developed countries' share of world exports and imports had also fallen, further contributing to the deterioration of their foreign trade situation.

44. The opportunities offered to the least developed countries by globalization and liberalization were thus far poorer than had been hoped. The WTO must speedily work out special measures in favour of the least developed countries in pursuance of the plan of action adopted at its Singapore ministerial conference. Moreover, as the General Assembly prepared for the next review of the Programme of Action for the Least Developed Countries in the year 2000, emphasis should be placed on closely monitoring the modalities of its implementation.

45. **Mr. Wilmot** (Ghana) said that most significant among the ongoing efforts to promote the dialogue on strengthening international economic cooperation for development was the recent successful conclusion of the Agenda for Development, in which consensus had been reached on a number of issues, including the need to ensure equitable distribution of the benefits of future growth and development among all countries and the need to promote an international environment favourable to all countries. Also of significance had been the Economic and Social Council's high-level segment dialogue on financial flows, including capital flows, investment and trade, which had underscored the need for strengthened international cooperation to enhance the benefits and mitigate the risks associated with globalization.

46. His delegation welcomed those developments, which pointed to a gradual shift from the confrontational posture that had characterized North/South discussions during the cold war era to a constructive dialogue based on partnership and a growing recognition of interdependence, shared responsibility and mutual interests.

47. On future themes for the dialogue, his delegation endorsed the Secretary-General's suggestion that the Agenda for Development provided a good framework within which to choose such themes, and that the themes chosen should be such as to engage the attention of policy makers at a high level, generate interest among other actors in development and result in stimulating and productive discussions that could expand the frontiers of international cooperation. In that regard, Ghana specifically supported the themes cited in paragraph 10 of the Secretary-General's report (A/52/425).

48. With regard to the modalities of the dialogue, Ghana agreed that the themes chosen should be clearly defined, that

the interlinkage among them should be taken into account, that all stakeholders should be involved in their discussion, and that a gender perspective should be integrated into the dialogue on any theme chosen.

49. The forum for the dialogue depended on the complexity, maturity, genesis and scope of the chosen theme, with due regard being paid to the principle of subsidiarity. In that connection, the Secretary-General had recommended in his reform proposals (A/51/950) that the General Assembly should select two years in advance themes for high-level discussion. While that recommendation was receiving due consideration, his delegation stressed the continued need to hold occasional major global conferences like the World Summit on Social Development and the United Nations Conference on Environment and Development. Such conferences engaged the attention of policy makers at a high level, generated interest among other actors in development and promoted stimulating and productive dialogue in a way that no high-level segment of the General Assembly and its main committees could match. Provision should continue to be made for such conferences, the first of which could be dedicated to the theme of financing development.

50. The only way to strengthen international economic cooperation for development was to implement the consensus that emerged from the dialogue. Thus the objectives of the Programme of Action for the Least Developed Countries for the 1990s could not be achieved without the support of the international community. As noted in the Secretary-General's report (A/52/279), although the least developed countries had undertaken wide-ranging reforms and measures for structural adjustment, and although various national and regional measures such as the Marrakesh ministerial decisions in favour of the least developed countries had been taken, there was a need to create an overall enabling environment to facilitate the resolution of the problems of the poorest countries in the areas of development finance, debt, technology transfer and trade, among others.

51. **Mr. Phommahaxay** (Lao People's Democratic Republic) said that the world economic climate had changed significantly in recent years. Countries had had to adjust to an ever-changing global market. Moreover, international trade and investment activities had been greatly intensified, sparking a promising world economic world growth rate of 3 per cent. However, least developed countries' share in international trade had declined, and foreign direct investment had now overtaken official development assistance in resource flows to least developed countries. Nevertheless, since foreign direct investment went to only a handful of developing countries, it could not replace official development assistance, which still played a critical role in the poorest countries.

52. Another cause for concern was the fact that the commitments made at the 1990 Paris Conference to halt the socio-economic decline of the least developed countries had remained unfulfilled. The United Nations remained the only international organization that was capable of promoting international cooperation for sustained economic growth and sustainable development of the least developed countries through debt-relief measures and measures to facilitate the transfer of technology and access to markets. UNCTAD, which could play a role in that area, should also be strengthened.

53. In the present era of liberalization and globalization, his Government was determined to pursue its policy of national development based on the market economy, the expansion of external relations and integration into the regional and world economy through cooperation with various regional organizations, including the Association of South-East Asian Nations, and membership in WTO.

54. Another initiative, the Microcredit Summit, had launched a global movement to reach 100 million of the world's poorest families, especially those headed by women, with credit for self-employment and other financial services by the year 2005. In order to attain that goal, there was a need to establish microfinancing institutions for the poor, as had been done in Laos with the assistance of UNDP and UNCDF.

55. With respect to the final review of the Programme of Action for the Least Developed Countries to be undertaken by the General Assembly with inputs from the Trade and Development Board of UNCTAD, very careful preparations should be made for the Third United Nations Conference on the Least Developed Countries, which would review and deal with all the problems facing those countries.

56. **Mr. Traore** (Mali) endorsed the statement made by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China. The goal of the Programme of Action for the Least Developed Countries for the 1990s had been to prevent any further deterioration in the socio-economic situation of least developed countries, and to revive and accelerate their growth with a view to sustainable development. Like most African countries, Mali was facing many structural and short-term development problems. It had therefore adopted a number of economic and social development measures, including a programme of action which was strictly in line with the agreements concluded with the Bretton Woods institutions and related

to the economic and financial policies to be implemented during the 1990s, namely rationalization of public finances, a prudent credit policy, revitalization of the banking sector, further privatization, the channelling of public investments towards social sectors, development of human resources and support for directly productive sectors, and measures to protect the disadvantaged sectors of society against the adverse impact of devaluation, as well as the restructuring of the cotton and rice and other cereals subsectors, and of the agricultural sector in general, including food crops. Mali was trying to attain an annual growth rate of about 5 per cent, which would raise per capita income by 1.5 per cent, and to reduce the burden of the external deficit, not including Government transfers.

57. While implementation of all those activities required considerable skills and resources, developing countries, especially African countries, lacked the economic resources to address their development problems adequately. Together with its development partners, the Government of Mali had defined a set of reform programmes to restore the major macroeconomic and financial balances. His Government had implemented several plans of action, which reflected its determination to give greater consistency to its action.

58. In view of the economic constraints they were facing, international cooperation remained critical to helping developing countries, especially the least developed ones, implement the recommendations adopted by the General Assembly within the context of their national development priorities. The international community should provide appropriate and substantial bilateral and multilateral assistance and support to the least developed countries. In that regard, the financial and technical capacities of the United Nations bodies and specialized agencies that participated at all levels in the implementation of the Programme of Action should be strengthened. In order to launch the dialogue on international economic cooperation for development through partnership, his Government was organizing a series of round tables with its development partners in the key sectors of the Malian economy. The primary objective of economic development was the well-being of the population and it was crucial to work together in a world partnership to meet the sustainable development needs of present and future generations.

59. **Mr. Ramtallah** (Sudan) endorsed the statements made by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China and by the representative of Bangladesh on the situation of the least developed countries. The least developed countries were undertaking major structural adjustment reforms and making considerable efforts. Therefore, he endorsed the Secretary-General's conclusion with respect to the Programme of Action for the Least Developed Countries (see A/52/279), namely, that while the recent economic performance of a number of least developed countries was encouraging, recovery was still fragile and the challenges facing those countries in a world economy transformed by globalization and liberalization, were extremely complex. They should therefore be assisted to overcome those challenges, and it was critical in that regard to define new criteria for the heavily-indebted countries in order to ease their debt burden by facilitating capital inflows; more generally, official development assistance should be increased.

60. The Sudan had adopted a complex strategy for the liberalization of its economy; it adhered to the principles of the market economy and its primary concern was to release national energies through further deregulation, to eliminate distortions, increase production and expand the tax base. His Government intended to continue privatizing the economy by eliminating State monopolies on the basis of economic and social criteria.

61. The economic recovery effort had been undertaken without external assistance. His Government hoped to restore peace within the country; in April 1997, seven factions had agreed on conditions for the restoration of civil peace. Indeed, peace and development were inseparable.

62. Although African least developed countries still suffered from the effects of globalization, they continued to make efforts to revitalize their economies; however, they must be helped in their efforts to reduce their debt burden.

63. **Mr. Hajayandi** (Burundi) supported the statement delivered on behalf of the Group of 77 and China on the implementation of the Programme of Action for the Least Developed Countries for the 1990s and that delivered by Bangladesh, as coordinator of the group of least developed countries. Most of the least developed countries, including Burundi, were actually potentially wealthy countries, countries with abundant human and natural resources that must be exploited. Capacity-building in the least developed countries was necessary in order to help them attain that goal. It was a long-term undertaking which demanded unfailing solidarity. The least developed countries agreed to make the necessary effort to deal with the main obstacles to their development. According to the conclusions of the World Summit, held in Copenhagen, it seemed they would be unable to attain their economic development objectives if social development issues were not satisfactorily resolved, through, *inter alia*, building the capacity of populations to assume responsibility for their own development.

64. The implementation of the Programme of Action for the Least Developed Countries for the 1990s was clearly handicapped by major obstacles in the framework for international cooperation. Many delegations had stressed that. First, there was the decline in official development assistance, which was, however, essential for the least developed countries. He urged all development partners to show renewed solidarity, both public and private, with the least developed countries.

65. The problem posed by external debt service was extremely acute. He encouraged the Paris Club to pursue its case-by-case analysis and find sound solutions. He hailed the Heavily Indebted Poor Countries Debt Initiative, launched by the Bretton Woods institutions, which had become operational in April.

66. He congratulated the UNCTAD secretariat on its effective coordination of activities and all the United Nations agencies involved in the implementation of the Programme of Action.

67. **Mr. Ouattara** (Côte d'Ivoire) supporting the views expressed by the United Republic of Tanzania on behalf of the Group of 77, said that the consideration of macroeconomic policy issues had provided an opportunity to review the phenomenon of economic globalization in all its aspects, particularly the challenges and risks that flowed from it. Within the context of renewed dialogue, two elements that could mitigate the impact of unbridled economic competition between industrialized and developing countries should be highlighted.

68. The first requirement was solidarity. With globalization, which entailed the integration of goods, services and capital markets, all countries were in the same boat, even if the risks varied according to their level of development. It was therefore more necessary than ever for the international community to strengthen dialogue among States through solidarity between developed and developing countries; solidarity introduced a more human tone into the rigid structure of international cooperation, added the concepts of joint development and shared benefits and tempered the excessive or exclusive pursuit of selfish interests. Thus, solidarity was the precondition for a lasting solution to all crises – political, economic and environmental – that threatened international peace and stability and undermined the chances for genuine and sustainable development for all.

69. The other aspect of stabilizing and international cooperation was the social dimension: whether it was a question of deciding the pace at which developing States should democratize or of granting financial assistance, particularly to remedy the debt problem, it was an essential ingredient which, it was to be hoped, would be factored into the analysis and evaluation of government actions. In that connection, his delegation welcomed the statement delivered in Hong Kong by the President of the World Bank, which seemed to demonstrate the will of the Bretton Woods institutions to incorporate a social dimension in their cooperation programmes with developing countries.

70. **Mr. Tiendrebeogo** (Burkina Faso) supported the statement delivered by the representative of the United Republic of Tanzania on behalf of the Group of 77 and China. The General Assembly, in its resolution 50/103, had reaffirmed the validity of the Programme of Action for the Least Developed Countries for the 1990s: it was the basis for cooperation for the development of the least developed countries. In that context, the Assembly had sent a message to the least developed countries themselves, inviting them to create a stable, stimulating environment favourable to investment and to capacity-building through human resources development, and another message to their development partners, urging them to fulfil the commitments they had undertaken within the framework of the Programme of Action and the conclusions of the mid-term review conducted in 1995.

71. It must be recognized, however, that the results were far from positive despite a few bright spots here and there. The report of the Secretary-General (A/52/279) clearly defined the responsibilities of all concerned. However, the developed countries as a whole had not honoured their financial commitments or the targets for official development assistance set in the Programme of Action. There was thus a decrease in the real flow of resources to the least developed countries despite the increase in the flow to the developing countries overall. In that connection, the efforts of some partners, those who were striving to keep their word, must be commended.

72. Turning to the question of debt, he said that, while initiatives had been launched, he feared that many least developed countries would not qualify for the most recent initiative, that of the World Bank and IMF for the heavily indebted poor countries. Burkina Faso, which had been accorded debt relief in the amount of $115 million, was well aware of the price to be paid: the relief would not come until the year 2000, following a number of reforms concerning, *inter alia*, taxes, privatization, the deregulation of the agricultural sector and customs barriers.

73. Initiatives abounded in the area of trade, at least where regulations were concerned. When evaluated in the light of facts and behaviour, those initiatives lost much of their

substance. It was quite clear that the international rules of the game were extremely unfavourable to the least developed countries, particularly the African countries, which increased their marginalization. They, nonetheless sought appropriate solutions to their problems while, at the same time, assuming their responsibilities under the Programme of Action. It would doubtless be necessary to display more creativity, to explore new paths. In that context, exchanges of experience among the least developed countries themselves and South-South cooperation in general had not realized their full potential.

74. The least developed countries were pleased to be able to count on the United Nations and the specialized agencies, which ceaselessly demonstrated their commitment and their desire to contribute to the sustained economic growth and sustainable development of the poorest countries. UNCTAD and the Office of the Special Coordinator for Africa and Least Developed Countries in the Department of Economic and Social Affairs deserved special commendation. UNCTAD had created the Trust Fund for the Least Developed Countries, which had become operational at the beginning of the year. His delegation wished to express its gratitude to UNCTAD. Such a mechanism would only enhance the effectiveness of UNCTAD and its capacity to take action.

75. His delegation hoped that the General Assembly, at its current session, could launch the process leading to a third United Nations conference on the least developed countries, which should be the point of departure for the elimination of least-developed-country status as such – a goal pursued by all countries.

The meeting rose at 12.30 p.m.